

Joint Audit Committee Meeting – PART A

Friday 23rd September 2016

09:00, Conference Room, PCC Office, 3 Hoffmanns Way, Chelmsford, Essex
CM1 1GU

PRESENT:-

Members: Chair: Jonathan Swan (JS); Julie Parker (JP); Simon Faraway (SF); Alan Hubbard (AH)

Office of the Police and Crime Commissioner (OPCC): Police and Crime Commissioner Roger Hirst (RH); Chief Executive Susannah Hancock (SH); Charles Garbett (CG); Abbey Gough (Minute Taker)

Essex Police Force: Deputy Chief Constable Matt Horne (MH); Director of Shared Services Mark Gilmartin (MG); Mark Feeley (MF); Denise Breckon (DB); Lucy Morris (LM)

RSM: Dan Harris (DH); Anna O'Keefe (AOK)

Ernst & Young: Mark Hodgson (MHdg); Martina Lee (ML)

1. **APOLOGIES FOR ABSENCE:** Debbie Martin (DM); Dan Harris (DH)

2. **DECLARATION OF INTEREST**
None

3. **MINUTES OF THE MEETING HELD ON 24 JUNE 2016**
Minutes of the meeting were approved.

4. **RISK REGISTER**
a) **OPCC & EP RISK REGISTER OVERVIEW REPORT**
Part B agenda item

b) **EP RISK REGISTER**
Part B agenda item

c) **OPCC RISK REGISTER**
Part B agenda item

5. **INTERNAL AUDIT PROGRESS REPORT**

AOK confirmed that there were five reports in draft at the time of the meeting with another two in progress. AOK noted that that three audits have been pushed back to later in the year, Governance, Estates and IT. This is at the request of management and an impending visit from the Information Commissioner who has been invited by Essex Police.

AOK said that 66% of enquiries had received a management response and the RSM held regular meetings with CG and DM. These meetings provided management with the opportunity to chase outstanding enquiries. MG said that the completion of the Statement of Accounts had been the main focus of management and the finance team in the last quarter; MG anticipated that an increase in management response would be seen at the December meeting.

There were four medium recommendations from the Risk Maturity 2015/16 report, the 2016/17 audit is currently in progress. There were two medium recommendations from the IT audit and a reasonable assurance opinion was given. It was noted that there were some limitations within the scope of the audit; JP asked whether this devalued the opinion given. AOK said that she would review the impact of this and inform the JAC.

ACTION – AOK to review the scope of the IT audit and confirm the JAC the impact on the audit findings.

Reasonable assurance was provided for the Restorative Justice (RJ) audit with four medium recommendations issued; these were related to internal communications, referral times and measuring outcomes. SH provided some additional background on the RJ Hub stating that this was based within the OPCC and was a triage process for the RJ process.

Creditors audit presented one low recommendation.

AOK said that improvements had been seen since the previous access to premise report was issued with auditors asked for ID before gaining access to police property. The follow up report provided three high and two medium recommendations. AOK said that in some cases ground floor windows were accessible, there were broken locks, confidential information could be seen through windows and there was limited challenge for auditors once on site.

MH said that there had been some improvements since the last report however he emphasised the difficulties in securing the HQ site and said that Op Javelin and the response to the counter terrorism threat was a priority.

MG emphasised that it was harder for individuals to gain access to the premises however there was limited challenge within the grounds. The JAC members noted that there was the potential for this information to become public following the audit by the Information Commissioner. AOK confirmed that follow up coverage would be provided in quarter four.

ACTION – Follow up coverage of access to premise to be included in quarter four.
AOK

ACTION – JAC members to receive ID badges

6. INTERNAL AUDIT PROGRESS TRACKER

MG said that the recent leavers and movers dip sample results were not as positive as the previous dip sample; MG said work would take place to ensure that this is improved during the next sample. JP noted that there was an outstanding recommendation linked to firearms which was previously upgraded to high due to the delay in completing. MH confirmed that the force armour would take responsibility for all firearm disposals.

MG noted that maintenance contract will not be in place until the end of 2016/17, he noted that this process had been underway since 2014. The maintenance contracts have been bundled into three tranches; the first tranche has been let with the remaining two in progress. MG said that completing the specification for these contracts was difficult.

7. EXTERNAL AUDIT RESULTS REPORT

MHdg said that an unqualified opinion had been awarded for the Statement of Accounts and the Value for Money assessment, with a request for a standard letter of representations to be completed. MHdg confirmed that the reclassifications had no impact of the bottom line and no objections had been received from the public.

MHdg noted that there were a number of legacy balances showing on the creditors general ledger account where there was no contra entry shown and that there was the potential for management override or fraud. DB said that EP need to run a separate exercise through Excel showing the contra balances and send this to the external auditors. It was noted that Kent Police also experience a similar issue with their accounting system.

DB confirmed that the technical revenue staff was up to speed with the closure process. At the time of the meeting the advert was out for the capital accountant role, however there was now capital knowledge within the team.

8. 2015/16 STATEMENT OF ACCOUNTS

JP asked why the governance issues of page 22 were selected. RH noted that these were the key governance areas where the OPCC was considering changes. JP asked for the date to be changed on page 19 of the narrative statement. JAC members extended their thanks and congratulations to the finance team for their hard work. The JAC members recommended the statement of accounts to be signed.

9. SUMMARY OF ACCOUNTS

Updated summary of accounts was presented to the meeting and confirm that both the summary and statement of accounts would be published following sign off.

10. SINGLE TENDER ACTION

MG said that there was a decrease in the number of STAs being completed. RH confirmed that he want to move away from STAs. MG said that there were occasions when an STA was required for operational need or to extend some contracts in order to align different forces to allow them to complete a joint procurement. The JAC members expressed a desire for a more detailed report on the STA process to be brought to the JAC.

ACTION – MG to prepare a paper on the STA process and next steps.

11. PUBLIC SECTOR AUDIT APPOINTMENTS (PSAA)

CG informed the JAC of the new PSAA proposal for PCCs to appoint their own external auditors. CG said that the options need to be explored and the JAC would look at the options and provide a report to the PCC to assist with his decision on how best to appoint an external auditor by December 2017. It was noted that both Kent and Essex have the same external auditors which is beneficial due to the extensive collaboration between the two forces.

ACTION – CG to produce a report/update for the next meeting of the JAC

ACTION – Essex JAC members to meet with the Kent JAC members to discuss the PSAA proposal.

12. POLICE/FIRE COLLABORATION UPDATE

Going forward the JAC members have requested that the Police and Fire Collaboration becomes a standing item on the JAC agenda. CG said that he was waiting for an outline timetable on collaboration; however the draft business case is expected to be complete by the 30th September. JS said that the Police and Fire collaboration should be reflected within the OPCC risk register.

13. DATE OF THE NEXT MEETING

15th December 2016

14. ANY OTHER BUSINESS

JS noted the problems in receiving emails and attachments from the OPCC and asked if a resolution could be achieved.